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## AGREEMENT FOR THE SALE AND REDEVELOPMENT OF LAND

DEPT. OF RECORDS & CLERK  
150017 - 1997-03-14 14:03:00  
BOOK 333-CTI PAGE 75  
BOOK COUNTY RECORDER

(The Above Space For Recorder's Use Only)

This AGREEMENT is made on or as of the 31<sup>st</sup> day of March, 1997 by and between the CITY OF CHICAGO, an Illinois municipal corporation ("City"), having its principal offices at City Hall, 121 North LaSalle Street, Chicago, Illinois 60602 and POPE PLACE ON THE BOULEVARD L.L.C., an Illinois limited liability corporation ("Purchaser"), located at 555 West Jackson Boulevard, Chicago, Illinois 60661.

### RECITALS

WHEREAS, the Purchaser desires to purchase from the City the real property legally described on Exhibit A attached hereto ("Property"); and

WHEREAS, the Property is located in a redevelopment area known as the North Kenwood-Oakland Conservation Area ("Project Area") and is commonly referred to as Parcel MR-1; and

WHEREAS, the Purchaser intends to construct nine (9) single family homes and/or two-flats to be sold at market rate ("Improvements" or "Project") on the Property, which Improvements are consistent with the Conservation Plan ("Plan") for the Project Area;

NOW, THEREFORE, in consideration of the promises and the mutual obligations of the parties hereto, each of them hereby covenant and agree with the other as follows:

### SECTION 1. INCORPORATION OF RECITALS.

The recitals set forth above constitute an integral part of this Agreement and are incorporated herein by this reference with the same force and effect as if set forth herein as agreements of the parties.

BOX 333-CTI

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## SECTION 2. SALE AND PURCHASE PRICE.

Subject to the terms, covenants and conditions of this Agreement, the City agrees to sell the Property to the Purchaser, and the Purchaser agrees to purchase the Property from the City for the amount of FIFTY THOUSAND and 00 /100 Dollars (\$50,000.00 ) ("Purchase Price") to be paid by certified check or by such other means as shall be satisfactory to the City.

## SECTION 3. CONVEYANCE OF PROPERTY.

A. Form of Deed. The City shall convey to the Purchaser title to the Property by Quitclaim Deed ("Deed"). The conveyance and title shall, in addition to the provisions of this Agreement, be subject to:

1. The Plan for the Project Area.
2. The standard objections in an ALTA insurance policy.
3. Taxes which are not yet due and owing.
4. Easements, encroachments, covenants and restrictions of record and not shown of record.
5. Such defects which cannot reasonably be cured but will not affect the use or marketability of the Property.

B. Title commitment and Insurance. The City shall provide the Purchaser with a title commitment issued by Chicago Title Insurance Company showing the City in title to the Property. The Purchaser shall be responsible for any title insurance or endorsements it deems necessary.

C. Survey. The Purchaser shall be responsible for any survey it deems necessary.

D. The Closing. The closing ("Closing") shall take place at City Hall on April 10, 1997 or on such date and at such place as the parties may mutually agree to in writing.

E. Real Estate Taxes. The City shall obtain the waiver of all delinquent general real estate tax liens, if any, on the Property. If the City is unable to obtain the waiver of any such tax liens to the satisfaction of the Purchaser, either party may terminate this Agreement. Upon such termination, the City shall return the Earnest Money and Good Faith Deposit (as described in Section 4, below) to the Purchaser. The Purchaser shall be responsible for all taxes accruing after the Closing. Until a Final Certificate of Completion (as described in Section 9, below) is issued by the City, the Purchaser shall notify the City that the real estate taxes have been paid in full within ten (10) days of such payment.

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F. Recordation of Deed. The Purchaser shall promptly file the Deed for recordation with the Office of the Cook County Recorder of Deeds. The Purchaser shall pay all costs for so recording the Deed.

G. Escrow. In the event the Purchaser requires conveyance through escrow, the Purchaser shall pay all escrow fees.

## SECTION 4. EARNEST MONEY AND PERFORMANCE DEPOSIT.

A. Earnest Money. The City acknowledges that the Purchaser has deposited with the City the amount of TWO THOUSAND FIVE HUNDRED and 00 /100 Dollars (\$2,500.00) which shall be credited against the Purchase Price at the Closing ("Earnest Money").

B. Performance Deposit. The City acknowledges that the Purchaser has deposited with the City the amount of TWO THOUSAND FIVE HUNDRED and 00 /100 Dollars (\$2,500.00), as security for the performance of its obligations under this Agreement ("Performance Deposit"), which deposit shall be retained by the City until a Final Certificate of Completion (as discussed in Section 9, below) has been issued by the City.

C. Interest. The City shall be under no obligation to pay interest on the Earnest Money or Performance Deposit set forth in this Section 4.

## SECTION 5. PROJECT BUDGET; PROOF OF FINANCING.

Not less than fourteen (14) days prior to the Closing, the Purchaser shall submit to the City for approval a project budget ("Budget") and evidence of funds adequate to finance the purchase of the Property and the construction of the Improvements. If the Purchaser fails to provide the City with a Budget or proof of financing to the City's reasonable satisfaction, the City may declare this Agreement null and void and return the Earnest Money and Performance Deposit to the Purchaser.

## SECTION 6. SITE PLANS AND ARCHITECTURAL DRAWINGS.

The Purchaser agrees to construct the Improvements on the Property in accordance with the Site Plans and Architectural Drawings ("Drawings") dated October 9, 1996, which have been approved by the City's Department of Planning and Development ("DPD"). No material deviation from the Drawings shall be made without the prior written approval of DPD.

The Purchaser shall be solely responsible for and shall pay all costs in regard to: the relocation, installation or construction of public or private utilities; curb cuts and driveways; the repair or reconstruction of any curbs, sidewalks or parkways deteriorated or damaged as a result of the Purchaser's redevelopment; the removal of existing pipes, utility equipment or building foundations; and the termination of existing water or other services.

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## SECTION 7. LIMITED APPLICABILITY.

DPD's approval of the Drawings are for the purposes of this Agreement only and do not constitute the approval required by the City's Building Department or any other City department; nor does the approval by DPD pursuant to this Agreement constitute an approval of the quality, structural soundness or the safety of any improvements located or to be located on the Property. The approval given by DPD shall be only for the benefit of the Purchaser and any lienholder authorized by this Agreement.

## SECTION 8. COMMENCEMENT AND COMPLETION OF IMPROVEMENTS.

The construction of the Improvements shall be commenced within six (6) months of the conveyance of the Property to the Purchaser, and except as otherwise provided in this Agreement, shall be completed (as evidenced by the issuance of the Final Certificate by the City) within twenty-four (24) months after such conveyance. Within five (5) days from the commencement of construction, the Purchaser shall notify the City that construction has begun.

## SECTION 9. CERTIFICATE OF COMPLETION.

Upon completion of any single family home or two-flat in the Project ("Completed Unit"), the Developer will deliver a notice of closing ("Notice of Closing") to the City in substantially the form attached hereto as Exhibit B. The Notice of Closing will include a Certificate of Substantial Completion from the Project Architect, Philip Kupritz & Associates, in substantially the form attached hereto as Exhibit C.

Within thirty (30) days of the receipt of any Notice of Closing and the accompanying Certificate of Substantial Completion, the City shall complete an inspection of the Completed Unit and shall deliver to the Developer either:

- (i) a Partial Certificate of Completion ("Partial Certificate"). The Partial Certificate shall be a conclusive determination of satisfaction and termination of the covenants in this Agreement and the Deed with respect to the obligations of the Purchaser and its successors and assigns to construct any single dwelling unit; or
- (ii) a written statement indicating in adequate detail how the Completed Unit and/or the Purchaser has failed to complete the Improvements in conformity with the Plan or this Agreement, or is otherwise in default, and what measures or actions will be necessary, in the reasonable opinion of the City, for the Purchaser to take or perform in order to obtain the Certificate. If the City required additional measures or acts to be taken by Purchaser, the Purchaser shall resubmit a new Notice of Closing after completing the required actions.

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Upon completion of the entire Project, the Purchaser will deliver a Notice of Project Completion to the City in substantially the form attached hereto as Exhibit D (the Notice of Project Completion"). The Notice of Project Completion will include a Certificate of Substantial Project Completion from the Project Architect, Philip Kupritz & Associates, in substantially the form attached hereto as Exhibit E. Within thirty (30) days after the receipt of the Notice of Project Completion and accompanying Certificate of Substantial Project Completion, the City shall complete an inspection of the entire Project and shall deliver to Developer either:

- (i) a final Certificate of Completion ("Final Certificate"). The Final Certificate shall be a conclusive determination of satisfaction and termination of the covenants in this Agreement and the Deed with respect to the obligations of the Purchaser and its successors and assigns to construct the Improvement; or
- (ii) a written statement indicating in adequate detail how Purchaser has failed to complete the Improvements in conformity with the Plan or this Agreement, or is otherwise in default, and what measures or actions will be necessary, in the reasonable opinion of the City, for the Purchaser to take or perform in order to obtain the Final Certificate. If the City requires additional measures or acts to be taken by Purchaser, the Purchaser shall resubmit a new Notice of Project Completion after completing the required actions.

Upon issuance of the Final Certificate, the City shall deliver the Performance Deposit to the Developer.

## SECTION 10. RESTRICTIONS ON USE.

The Purchaser agrees that it:

- A. Shall devote the Property to a use approved by the Plan until October 14, 2032.
- B. Shall not discriminate based upon race, color, religion, sex, national origin or ancestry, military status, sexual orientation, source of income, age, handicap, in the sale, lease, rental, use or occupancy of the Property or any improvements located or to be erected thereon.

## SECTION 11. PROHIBITION AGAINST TRANSFER OF PROPERTY.

Prior to the issuance of the Certificate by the City with regard to completion of the Improvements, the Purchaser shall not, without the prior written consent of the City: (a) sell or convey the Property or any part thereof; or (b) create any assignment with respect to this Agreement or the Property that would take effect prior to the issuance of the Certificate by the

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City; or (c) contract or agree to: (1) sell or convey the Property, or (2) create any assignment with respect to this Agreement or the Property that would take effect prior to the issuance of the Certificate by the City. If the Property is acquired by a corporation, partnership or other legal entity, there shall be no transfer of ten percent (10%) or more interest in the entity nor any similar significant change in the constitution of the entity until the Certificate is issued or the City consents in writing to the transfer or change. The provisions of this Section 11 shall not limit the Purchaser's rights under Section 12 of this Agreement.

## SECTION 12. LIMITATION UPON ENCUMBRANCE OF PROPERTY.

Prior to the completion of the Project and the issuance of the Certificate by the City, the Purchaser shall not engage in any financing or other transaction which creates an encumbrance or lien upon the Property, except for the purposes of obtaining: (a) funds necessary to acquire the Property; (b) funds necessary to construct the Improvements; or (c) funds necessary for architects, surveyors, appraisers, environmental consultants or attorneys in connection with the Project.

## SECTION 13. MORTGAGEES NOT OBLIGATED TO CONSTRUCT.

Notwithstanding any other provision of this Agreement or of the Deed, the holder of any mortgage on the Property authorized by Section 12 of this Agreement shall not be obligated to construct or complete the Improvements; provided, however, that the foregoing provision shall not apply to any purchaser, other than the holder of the mortgage, its successors and assigns of the Property at a foreclosure sale. Nothing in this Section nor in any other section of this Agreement shall be deemed or construed to permit or authorize any such holder of a mortgage to devote the Property to any use, or to construct any improvements thereon, other than those uses or improvements permitted in the Plan.

## SECTION 14. COVENANTS RUNNING WITH THE LAND.

The parties agree, and the Deed shall so expressly provide, that the covenants provided in Sections 8, 10, 11 and 12 shall be covenants running with the land, binding the Purchaser and its successors and assigns to the fullest extent permitted by law and equity for the benefit and in favor of the City, and shall be enforceable by the City. The covenants provided in Sections 8, 11 and 12 shall be terminated upon issuance of the Certificate described in Section 9.

## SECTION 15. SUBORDINATION

Except for Section 10 hereof, the terms and provisions contained herein are and shall remain at all times subject and subordinate in all respects to that certain Construction Mortgage, Assignment of Rents and Leases, Security Agreement and Financing Statement (the "Mortgage") dated April 10, 1997 and recorded in the Office of the Recorder of Deeds of Cook County, Illinois as Document No. \_\_\_\_\_ securing the loan from Bank of America Illinois to Purchaser in the original principal amount of \$600,000 and in the event of a transfer



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of the Property by foreclosure of the Mortgage or deed in lieu thereof, the covenants and agreements herein contained, other than the covenants contained in Section 10 hereof, shall be automatically terminated and extinguished.

## SECTION 16. PERFORMANCE AND BREACH.

A. Time of the Essence. Time is of the essence in the parties' performance of their obligations under this Agreement.

B. Permitted Delays. The Purchaser shall not be considered in breach of its obligations with respect to the commencement or completion of construction of the Improvements in the event of a delay in the performance of such obligations due to unforeseeable causes beyond the Purchaser's control and without the Purchaser's fault or negligence, including but not limited to, delays or halts in construction of the Improvements which are compelled by court order, acts of God, acts of public enemy, acts of the United States government, acts of the City, fires, floods, epidemics, quarantine restrictions, strikes, embargoes and unusually severe weather or delays of subcontractors due to such cause. The time for the performance of the obligations shall be extended only for the period of the delay if the Purchaser requests it in writing of the City within twenty (20) days after the beginning of any such delay.

### C. Breach.

1. Generally. Except as otherwise provided in this Agreement, in the event of a default by either party in the performance of its obligations under this Agreement, the defaulting party, upon written notice from the other, shall cure or remedy the default not later than sixty (60) days after receipt of such notice. If the default is not capable of being cured within the sixty (60) day period but the defaulting party has commenced action to cure the default and is diligently proceeding to cure the default within the sixty (60) day period, then the sixty (60) day period shall be extended for the length of time that is reasonably necessary to cure the default. If the default is not cured in the time period provided for herein, the aggrieved party may terminate this Agreement and institute such proceedings at law or in equity as may be necessary or desirable in its sole discretion to cure and remedy the default, including but not limited to, proceedings to compel specific performance.

2. Event of Default. For purposes of this Agreement, the occurrence of any one or more of the following shall constitute an "event of default":

- a. The Purchaser fails to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations required under this Agreement; or

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- b. The Purchaser makes or furnishes a warranty, representation, statement or certification to the City which is not true and correct in any material respect; or
  - c. A petition is filed by or against the Purchaser under the Federal Bankruptcy Code or any similar state or federal law, whether now or hereinafter existing, which is not vacated, stayed or set aside within thirty (30) days after filing; or
  - d. The Purchaser abandons or substantially suspends the construction work, and such abandonment or suspension is not cured, ended, or remedied within sixty (60) days of the date the Purchaser receives written demand by the City to cure such default; or
  - e. The Purchaser fails to timely pay real estate taxes or assessments affecting the Property or suffers or permits any levy or attachment, material suppliers' or mechanics' lien, or any other lien or encumbrance unauthorized by this Agreement to attach to the Property; or
  - f. The Purchaser makes an assignment, pledge, encumbrance, transfer or other disposition in violation of this Agreement; or
  - g. The Purchaser's financial condition or operations adversely changes to such an extent that would materially affect the Purchaser's ability to complete the Improvements; or
  - h. The Purchaser fails to comply with the material terms of any other written agreement entered into with the City or any loan issued by the City.
3. Prior to Conveyance. If prior to the conveyance of the Property, the Purchaser defaults in any specific manner described in this Section 16.C., the City may terminate this Agreement, institute any action or proceeding at law or in equity against the Purchaser, and retain the Earnest Money and Performance Deposit.
4. After Conveyance. If subsequent to the conveyance of the Property to the Purchaser until the City issues the Final or Partial Certificate, as the case may be the Purchaser or its successors in interest defaults in any specific manner described in this Section 16.C., the City, by written notice to the Purchaser, may utilize any and all remedies available to the City at law or in equity, including but not limited to, the right to re-enter and take possession of the Property, terminate the estate conveyed to the Purchaser, and re-vest title to the Property in the City; provided, however, that the re-vesting of title in the City shall be limited by, and shall not defeat, render invalid, or limit in any way, the lien of any mortgage authorized by

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this Agreement.

5. Resale of the Property. Upon the reversion in the City of title to the Property as provided in Section 16.C.4., the City shall employ its best efforts to convey the Property (subject to the mortgage liens described in this Section) to a qualified and financially responsible party (as solely determined by the City) who shall assume the obligation of completing the construction of the Improvements or such other improvements as shall be satisfactory to the City.
6. Disposition of Resale Proceeds. If the City sells the Property, the proceeds from the sale shall be utilized to reimburse the City for:
  - a. costs and expenses incurred by the City, including but not limited to, salaries of personnel in connection with the recapture, management and resale of the Property (less any income derived by the City from the Property in connection with such management); and
  - b. all taxes, assessments, and water and sewer charges assessed against the Property; and
  - c. any payments made (including reasonable attorneys' fees) to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of the Purchaser; and
  - d. any expenditures made or obligations incurred with respect to construction or maintenance of the Improvements; and
  - e. any other amounts owed to the City by the Purchaser.

The Purchaser shall be entitled to receive any proceeds up to the amount of the Purchaser's investment in the Property not utilized in meeting the expenses of the City described herein.

In addition to, and without in any way limiting the City's rights under this Section 16, the City shall have the right to retain the Performance Deposit in the event of a default by the Purchaser.

D. Waiver and Estoppel. Any delay by the City in instituting or prosecuting any actions or proceedings or otherwise asserting its rights shall not operate as a waiver of such rights or operate to deprive the City of or limit such rights in any way. No waiver made by the City with respect to any specific default by the Purchaser shall be construed, considered or treated as a waiver of the rights of the City with respect to any other defaults of the Purchaser.

E. Access to the Property. After the Closing, any duly authorized representative of

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the City shall have access to the Property at all reasonable times for the purpose of confirming the Purchaser's compliance with this Agreement.

## **SECTION 17. CONFLICT OF INTEREST; CITY'S REPRESENTATIVES NOT INDIVIDUALLY LIABLE.**

The Purchaser warrants that no agent, official, or employee of the City shall have any personal interest, direct or indirect, in this Agreement, nor shall any such agent, official or employee participate in any decision relating to this Agreement which affects his or her personal interests or the interests of any corporation, partnership, or association in which he or she is directly or indirectly interested. No agent, official, or employee of the City shall be personally liable to the Purchaser or any successor in interest in the event of any default or breach by the City or for any amount which may become due to the Purchaser or successor or on any obligation under the terms of this Agreement.

## **SECTION 18. INDEMNIFICATION.**

The Purchaser agrees to indemnify, defend and hold the City harmless from and against any losses, costs, damages, liabilities, claims, suits, actions, causes of action and expenses (including, without limitation, attorneys' fees and court costs) suffered or incurred by the City arising from or in connection with: (i) the failure of the Purchaser to perform its obligations under this Agreement; (ii) the failure of the Purchaser or any contractor to pay contractors, subcontractors or material suppliers in connection with the construction of the Improvements; (iii) a material misrepresentation or omission in the Plan which is the result of information supplied or omitted by the Purchaser or by any agents, employees, contractors or persons acting under the control or at the request of the Purchaser; (iv) the failure of the Purchaser to redress any misrepresentations or omissions in this Agreement or any other agreement relating hereto; and (v) any actions resulting from any activity undertaken by the Purchaser on the Property prior to or after the conveyance of said Property to the Purchaser by the City. This indemnification shall survive any termination of this Agreement.

## **SECTION 19. ENVIRONMENTAL MATTERS.**

The City makes no covenant, representation or warranty as to the environmental condition of the Property or the suitability of the Property for any purpose whatsoever, and the Purchaser agrees to accept the Property "as is".

It shall be the responsibility of the Purchaser, at its sole cost and expense, to investigate and determine the soil and environmental condition of the Property. Prior to the Closing, the Purchaser shall have the right to request a right of entry for the purpose of conducting environmental tests on the Property. If such a request is made, the City shall grant the Purchaser a right of entry for such purpose. The granting of the right of entry, however, shall be contingent upon the Purchaser obtaining all necessary permits and the following types and amounts of

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insurance: a) commercial general liability insurance with a combined single limit of not less than \$1,000,000.00 per occurrence for bodily injury, personal injury and property damage liability with the City named as an additional insured; b) automobile liability insurance with limits of not less than \$1,000,000.00 per occurrence, combined single limit for bodily injury and property damage; and c) worker's compensation and occupational disease insurance in statutory amounts covering all employees and agents who are to provide any work on the Property. All insurance policies shall be from insurance companies authorized to do business in the State of Illinois, and shall remain in effect until completion of all activity on the Property. The Purchaser shall deliver duplicate policies or certificates of insurance to the City prior to commencing any activity on the Property. The Purchaser expressly understands and agrees that any coverage and limits furnished by the Purchaser shall in no way limit the Purchaser's liabilities and responsibilities set forth in this Agreement.

The Purchaser agrees to carefully inspect the Property prior to the commencement of any activity on the Property to make sure that such activity shall not damage surrounding property, structures, utility lines or any subsurface lines or cables. The Purchaser shall be solely responsible for the safety and protection of the public. The City reserves the right to inspect any work being done on the Property. The Purchaser's activities on the Property shall be limited to those reasonably necessary to perform the environmental testing. Upon completion of the work, the Purchaser agrees to restore the Property to its original condition. The Purchaser shall keep the Property free from any and all liens and encumbrances arising out of any work performed, materials supplied or obligations incurred by or for the Purchaser, and agrees to indemnify and hold the City harmless against any such liens.

The Purchaser agrees to deliver to the City a copy of each report prepared by or for the Purchaser regarding the environmental condition of the Property. If prior to the Closing, the Purchaser's environmental consultant determines that contamination exists on the Property to such an extent that the parties agree that the estimated cost of remediation (as determined by the consultant) is too excessive for the Purchaser, the Purchaser may declare this Agreement null and void. In such event, the City shall return the Earnest Money and Performance Deposit to the Purchaser. The Purchaser agrees that a request to terminate this Agreement shall not be made until all reports concerning the condition of the Property have been reviewed by the City.

If after the Closing, the environmental condition of the Property is not in all respects entirely suitable for the use to which the Property is to be utilized pursuant to the terms of this Agreement, it shall be the sole responsibility and obligation of the Purchaser to take such action as may be necessary to put the Property in a condition entirely suitable for the intended use of the Property. The Purchaser agrees to release and indemnify the City from any claims and liabilities relating to or arising from the environmental condition of the Property and to undertake and discharge all liabilities of the City arising from any environmental condition which existed on the Property prior to the Closing.

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## SECTION 20. PURCHASER'S EMPLOYMENT OBLIGATIONS.

A. Employment Opportunity. The Purchaser agrees, and shall contractually obligate its various contractors, subcontractors or any affiliate of the Purchaser operating on the Property (collectively, the "Employers" and individually, an "Employer") to agree that with respect to the provision of services in connection with the construction of the Improvements or occupation of the Property:

1. Neither the Purchaser nor any Employer shall discriminate against any employee or applicant for employment based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income as defined in the City of Chicago Human Rights Ordinance, Section 2-160-010 et seq. of the Municipal Code of Chicago, as amended from time to time (the "Human Rights Ordinance"). The Purchaser and each Employer shall take affirmative action to ensure that applicants are hired and employed without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income and are treated in a non-discriminatory manner with regard to all job-related matters, including without limitation: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Purchaser and each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause. In addition, the Purchaser and each Employer, in all solicitations or advertisements for employees, shall state that all qualified applicants shall receive consideration for employment without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income.
2. To the greatest extent feasible, the Purchaser and each Employer is required to present opportunities for training and employment of low and moderate income residents of the City; and to provide that contracts for work in connection with the construction of the Improvements be awarded to business concerns which are located in, or owned in substantial part, by persons residing in the City.
3. The Purchaser and each Employer shall comply with all federal, state and local equal employment and affirmative action statutes, rules and regulations, including, but not limited to, the Human Rights Ordinance, and the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq. (1993), and any subsequent amendments and regulations promulgated thereto.

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4. The Purchaser, in order to demonstrate compliance with the terms of this Section, shall cooperate with and promptly and accurately respond to inquiries by the City, which has the responsibility to observe and report compliance with equal employment opportunity regulations of federal, state and municipal agencies.
5. The Purchaser and each Employer shall include the foregoing provisions of subparagraphs 1 through 4 in every contract entered into in connection with the construction of the Improvements, and shall require inclusion of these provisions in every subcontract entered into by any subcontractors, and every agreement with any affiliate operating on the Property, so that each such provision shall be binding upon each contractor, subcontractor or affiliate, as the case may be.
6. Failure to comply with the employment obligations described in this Section 20.A. shall be a basis for the City to pursue remedies under the provisions of Section 16. above.

**B. City Resident Employment Requirement.** The Purchaser agrees, and shall contractually obligate the Employers to agree that during the construction of the Improvements they shall comply with the minimum percentage of total worker hours performed by actual residents of the City of Chicago as specified in Section 3-92-330 of the Municipal Code of Chicago (at least fifty percent of the total worker hours worked by persons on the construction of the Improvements shall be performed by actual residents of the City of Chicago); provided, however, that in addition to complying with this percentage, the Purchaser and the Employers shall be required to make good faith efforts to utilize qualified residents of the City of Chicago in both unskilled and skilled labor positions.

The Purchaser and the Employers may request a reduction or waiver of this minimum percentage level of Chicagoans as provided for in Section 2-92-330 of the Municipal Code of Chicago in accordance with standards and procedures developed by the Purchasing Agent of the City of Chicago.

"Actual residents of the City of Chicago" shall mean persons domiciled within the City of Chicago. The domicile is an individual's one and only true, fixed and permanent home and principal establishment.

The Purchaser and the Employers shall provide for the maintenance of adequate employee residency records to ensure that actual Chicago residents are employed on the construction of the Improvements. The Purchaser and the Employers shall maintain copies of personal documents supportive of every Chicago employee's actual record of residence.

Weekly certified payroll reports (U.S. Department of Labor Form WH-347 or equivalent) shall be submitted to DPD in triplicate, which shall identify clearly the actual residence of every employee on each submitted certified payroll. The first time that an employee's name appears on

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a payroll, the date that the company hired the employee should be written in after the employee's name.

The Purchaser and the Employers shall provide full access to their employment records to the Purchasing Agent, DPD, the Superintendent of the Chicago Police Department, the Inspector General, or any duly authorized representative thereof. The Purchaser and the Employers shall maintain all relevant personnel data and records for a period of at least three (3) years from and after the issuance of the Final Certificate.

At the written direction of DPD, the Purchaser and the Employers shall provide affidavits and other supporting documentation to verify or clarify an employee's actual address when doubt or lack of clarity has arisen.

Good faith efforts on the part of the Purchaser and the Employers to provide work for actual Chicago residents (but not sufficient for the granting of a waiver request as provided for in the standards and procedures developed by the Purchasing Agent) shall not suffice to replace the actual, verified achievement of the requirements of this Section concerning the worker hours performed by actual Chicago residents.

In the event that the City has determined that the Purchaser or an Employer failed to ensure the fulfillment of the requirements of this Section concerning the worker hours performed by actual Chicago residents or failed to report in the manner as indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicagoans to the degree stipulated in this Section. Therefore, in such a case of non-compliance which has not been remedied in accordance with the breach and cure provisions contained in Section 16.C herein, it is agreed that 1/20 of 1 percent (.05%) of the aggregate hard construction costs set forth in the Purchaser's budget shall be surrendered by the Purchaser and for the Employers to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly shall result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject the Purchaser and/or the other Employers or employee to prosecution.

Nothing herein provided shall be construed to be a limitation upon the "Notice of Requirements for Affirmative Action to Ensure Equal Employment Opportunity, Executive Order 11246" and "Standard Federal Equal Employment Opportunity, Executive Order 11246," or other affirmative action required for equal opportunity under the provisions of this Agreement.

The Purchaser shall cause or require the provisions of this Section 20.B. to be included in all construction contracts and subcontracts related to the construction of the Improvements.

C. The Purchaser's MBE/WBE Commitment. The Purchaser agrees, and shall contractually obligate the Employers to agree, that during the construction of the Improvements:



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1. Consistent with the findings which support the Minority-Owned and Women Owned Business Enterprise Procurement Program (the "MBE/WBE" Program"), Section 2-92-420 et seq. of the Municipal Code of Chicago, and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this Section 20.C., during the course of construction of the Improvements, at least the following percentages of the aggregate hard construction costs shall be expended for contract participation by minority-owned businesses ("MBEs") and by women-owned businesses ("WBEs"):
  - a. At least 25% by MBEs.
  - b. At least 5% by WBEs.
2. For purposes of this Section 20.C. only, the Purchaser (and any party to whom a contract is let by the Purchaser pursuant to this Agreement) shall be deemed a "Contractor" and this Agreement (and any contract let pursuant thereto) shall be deemed a "Contract" as such terms are defined in Section 2-92-420 of the Municipal Code of Chicago. In addition, the term "minority-owned business" or MBE shall mean a business enterprise identified in the Directory of Certified Minority Business Enterprises published by the City's Purchasing Department, or otherwise certified by the City's Purchasing Department as a minority-owned business enterprise; and the term "women-owned business" or WBE shall mean a business enterprise identified in the Directory of Certified Women Business Enterprises published by the City's Purchasing Department, or otherwise certified by the City's Purchasing Department as a women-owned business enterprise.
3. Consistent with Section 2-92-440 of the Municipal Code of Chicago, the Purchaser's MBE/WBE commitment may be achieved by the Purchaser utilizing a MBE or a WBE as a contractor, by subcontracting or causing a contractor to subcontract a portion of the work to one or more MBEs or WBEs, or by the purchase of materials used in the construction of the Improvements from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to the Purchaser's MBE/WBE commitment as described in this Section 20.C.
4. The Purchaser shall deliver quarterly reports to DPD describing its efforts to achieve compliance with this MBE/WBE commitment. Such reports shall include inter alia the name and business address of each MBE and WBE solicited by the Purchaser or a contractor to work on the Improvements, and the responses received from such solicitation, the name and business address of each MBE or WBE actually involved in the construction, a description of the work performed or products or services supplied, the date and amount of such work, product or service, and such other information as may assist DPD in determining the

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Purchaser's compliance with this MBE/WBE commitment. DPD shall have access to the Purchaser's books and records, including, without limitation, payroll records and tax returns, to allow the City to review the Purchaser's compliance with its commitment to MBE/WBE participation.

5. The City shall have the right to terminate this Agreement upon the disqualification of a contractor as a MBE or WBE, if the contractor's status as a MBE or WBE was a factor in the approval of the Purchaser, and such status was misrepresented by the contractor or the Purchaser. In addition, the City shall have the right to terminate this Agreement upon the disqualification of any MBE or WBE subcontractor or supplier of goods or services if the subcontractor's status as a MBE or WBE was a factor in the approval of the Purchaser, and such status was misrepresented by the contractor or the Purchaser. In the event that the Purchaser is determined not to have been involved in any misrepresentation of the status of the disqualified contractor, subcontractor or supplier, the Purchaser shall be obligated to discharge or cause to be discharged the disqualified contractor or subcontractor or to terminate any contract or business with the disqualified supplier, and, if possible, identify a qualified MBE or WBE as a replacement. Failure by the Purchaser to diligently pursue such course of action will result in the City's option to unilaterally terminate this Agreement. For purposes of this subparagraph 5, the disqualification procedures are further described in Section 2-92-540 of the Municipal Code of Chicago.

6. Any reduction or waiver of the Purchaser's MBE/WBE commitment as described in this Section 20.C. shall be undertaken in accordance with Section 2-92-450 of the Municipal Code of Chicago.

D. Pre-Construction Meeting; Monitoring Requirements. Prior to the commencement of construction of the Improvements, the Purchaser shall meet with the monitoring staff of DPD with regard to the Purchaser's compliance with its employment obligations, the sufficiency of which must be approved by DPD as a pre-condition to DPD's approval to allow the Purchaser to commence with the construction of Improvements. During the construction of the Improvements, the Purchaser shall submit documentation (as required in Sections 20.A. and 20.C., above) to the monitoring staff of DPD. The failure to submit such documentation on a timely basis, or if DPD determines, upon analysis of the documentation, that the Purchaser is not complying with its employment obligations described in this Section 20, shall upon the delivery of written notice to the Purchaser, be deemed an event of default. In such event, in addition to any remedies described in this Section 20., the City may: (1) issue a written demand to the Purchaser to halt construction of Improvements; (2) withhold certain pertinent sums from payment to the Purchaser or the general contractor, if applicable; or (3) seek any other remedies against the Purchaser available at law or in equity.

- E. In the event of a default by the Purchaser in the performance of its obligations

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under this Section 20, the notice and cure provisions contained in Section 16 herein shall apply.

## **SECTION 21. PROVISIONS NOT MERGED WITH DEED.**

The provisions of this Agreement shall not be merged with the Deed, and the delivery of the Deed shall not be deemed to affect or impair the provisions of this Agreement.

## **SECTION 22. HEADINGS.**

The headings of the various sections of this Agreement have been inserted for convenient reference only and shall not in any manner be construed as modifying, amending, or affecting in any way the express terms and provisions thereof.

## **SECTION 23. GOVERNING LAW.**

This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

## **SECTION 24. ENTIRE AGREEMENT.**

This Agreement constitutes the entire agreement between the parties and supersedes and replaces completely any prior agreements between the parties with respect to the subject matter hereof. This Agreement may not be modified or amended in any manner other than by supplemental written agreement executed by the parties.

## **SECTION 25. SEVERABILITY.**

If any provision of this Agreement, or any paragraph, sentence, clause, phrase or word, or the application thereof is held invalid, the remainder of this Agreement shall be construed as if such invalid part were never included and this Agreement shall be and remain valid and enforceable to the fullest extent permitted by law.

## **SECTION 26. NOTICES.**

Any notice, demand or communication required or permitted to be given hereunder shall be given in writing at the addresses set forth below by any of the following means: (a) personal service; (b) electronic communications, whether by telex, telegram or telecopy; (c) overnight courier; or (d) registered or certified first class mail, postage prepaid, return receipt requested:

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If to the City: City of Chicago  
Department of Planning and Development  
121 North LaSalle Street  
Room 1000 - City Hall  
Chicago, Illinois 60602  
Attn:

With a copy to: City of Chicago  
Department of Law  
121 North LaSalle Street  
Room 610 - City Hall  
Chicago, Illinois 60602  
Attn: Real Estate Division

If to the Purchaser: Eubanks-Pope Development Company  
4338 South Drexel Blvd.  
Chicago, Illinois 60653  
Attn: Mr. Otis Pope and  
Mrs. Sharon Pope

Fund for Community Redevelopment  
and Revitalization  
822 East 63rd Street  
Chicago, Illinois 60637  
Attn: Daris K. Wilson, Esq.

Lakeshore Development  
& Construction Company  
Suite 250  
555 West Jackson  
Chicago, Illinois 60661  
Attn: Kristen T. Saam, Esq.

With a copy to: William A. Miceli  
Miner, Barnhill and Galland  
14 West Erie Street  
Chicago, Illinois 60614

Any notice, demand or communication given pursuant to either clause (a) or (b) hereof shall be deemed received upon such personal service or upon dispatch by electronic means, respectively. Any notice, demand or communication given pursuant to clause (c) shall be deemed received on the day immediately following deposit with the overnight courier. Any notice, demand or communication sent pursuant to clause (d) shall be deemed received three (3) business days after

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mailing. The parties, by notice given hereunder, may designate any further or different addresses to which subsequent notices, demands or communications shall be given.

## SECTION 27. COUNTERPARTS.

This Agreement may be executed in counterparts, each of which shall constitute an original instrument.

## SECTION 28. ORGANIZATION AND AUTHORITY.

The Purchaser (if other than an individual) represents and warrants that it is duly organized and validly existing under the laws of the State of Illinois, with full power and authority to acquire, own and redevelop the Property, and that the person(s) signing this Agreement on behalf of the Purchaser has the authority to do so.

## SECTION 29. SUCCESSORS AND ASSIGNS.

Except as otherwise provided in this Agreement, the terms and conditions of this Agreement shall apply to and bind the successors and assigns of the parties.

## SECTION 30. TERMINATION.

In the event that the Closing has not occurred within twelve (12) months from the date of this Agreement, either party may terminate this Agreement upon written notice to the other. Upon such termination, the City shall return the Earnest Money and Performance Deposit to the Purchaser. However, if the Closing has not occurred within twelve (12) months through no fault of the City, then the City may retain the Earnest Money and Performance Deposit as liquidated damages.

## SECTION 31. RECORDATION OF AGREEMENT.

Either party may record this Agreement at the Office of the Cook County Recorder of Deeds. The party so choosing to record this Agreement shall pay the recording fees.



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IN WITNESS WHEREOF, the City has caused this Agreement to be duly executed in its name and behalf by its Commissioner of Planning and Development, and the Purchaser has signed the same on or as of the day and year first above written.

CITY OF CHICAGO,  
an Illinois municipal corporation

BY: 

J.P. BOYLE, JR.

Commissioner of Planning and Development

POPE PLACE ON THE BOULEVARD, L.L.C.,  
an Illinois limited liability corporation

Lakeshore Drexel I, L.L.C., its  
Member

BY: 

TITLE: President of Manager

Fund for Community Redevelopment &  
Revitalization, its Member

BY: 

TITLE: Director of Development

Eubanks-Pope Development Company,  
its Member

This instrument was prepared by:

*ANDREW K. LORBERMAN* *Esq.*

Maria E. Hoffman  
Assistant Corporation Counsel  
Room 610 - City Hall  
Chicago, Illinois 60602  
(312) 744-6933

BY: 

TITLE: President

(C:\FORM\RD-POPE FRM\05dec96)

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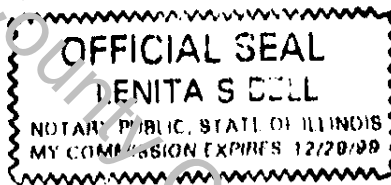
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STATE OF ILLINOIS )  
                                  ) SS.  
COUNTY OF C O O K )

I, Denita S Dell, a Notary Public in and for said County, in the State aforesaid, do hereby certify that J.F. Boyle, Jr., personally known to me to be the Commissioner of Planning and Development of the City of Chicago, an Illinois municipal corporation, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and being first duly sworn by me acknowledged that as the Commissioner, he signed and delivered the instrument pursuant to authority given by the City of Chicago, as his free and voluntary act and as the free and voluntary act and deed of the corporation, for the uses and purposes therein set forth.

GIVEN under my notarial seal this 15 day of March, 1997.

Denita S Dell  
NOTARY PUBLIC



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STATE OF ILLINOIS )  
  ) SS.  
COUNTY OF COOK )

I, Patricia Turner, a Notary Public in and for said County, in the State aforesaid, do hereby certify that D. Wayne Richardson, personally known to me to be the President of Lake Shore Drycleaning, L.L.C., and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this 19th day of March, 1997, in person and being first duly sworn by me severally acknowledged that as such President, he signed and delivered the instrument pursuant to authority given by the Board of Directors as his free and voluntary act and as the free and voluntary act and deed of the Board of Directors for the uses and purposes therein set forth.

GIVEN under my notarial seal this 19th day of March, 1997.

Patricia Turner  
NOTARY PUBLIC



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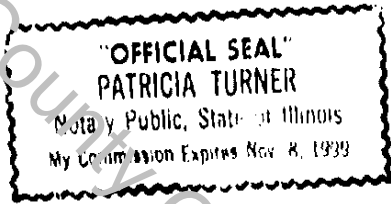
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STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF COOK )

I, Patricia Turner, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Sharon Kubunk-Pope, personally known to me to be the President of Kubunk-Pope Development Co., and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and being first duly sworn by me severally acknowledged that as such President he signed and delivered the instrument pursuant to authority given by himself as his free and voluntary act and as the free and voluntary act and deed of himself, for the uses and purposes therein set forth.

GIVEN under my notarial seal this 19th day of March, 1997.

Patricia Turner  
NOTARY PUBLIC



CLERK OF COOK COUNTY Clerk's Office

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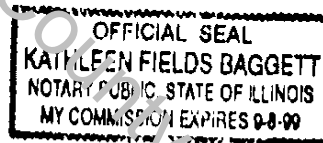
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STATE OF ILLINOIS )  
                                  ) SS.  
COUNTY OF COOK )

I, KATHLEEN FIELDS BAGGETT, a Notary Public in and for said County, in the State aforesaid, do hereby certify that DORIS K. WILSON, personally known to me to be the DIR. OF DEVELOPMENT of FUND FOR COMMUNITY REDEV. & REVI., and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and being first duly sworn by me severally acknowledged that as such DORIS K. WILSON he signed and delivered the instrument pursuant to authority given by KATHLEEN FIELDS BAGGETT as his free and voluntary act and as the free and voluntary act and deed of DORIS K. WILSON, for the uses and purposes therein set forth.

GIVEN under my notarial seal this 17th day of MARCH, 1997.

Kathleen Fields Baggett  
NOTARY PUBLIC



Clerk's Office

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## EXHIBIT A

### LEGAL DESCRIPTION OF PROPERTY

LOT 12 AND SOUTH 31.7 FEET OF LOT 11 IN SUBDIVISION OF BLOCK 2 IN WALKER AND STINSON'S SUBDIVISION OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 2, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PERMANENT INDEX NO.: 20-02-300-033-0000

Property Address

1734 S. Drexel, Chicago

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## EXHIBIT B

### FORM OF NOTICE OF CLOSING

Pursuant to the Redevelopment Agreement dated March 25, 1997, by and between the City of Chicago ("City"), an Illinois municipal corporation, and Pope Place On The Boulevard, L.L.C., an Illinois limited liability company (the "Developer"), the undersigned, \_\_\_\_\_ [title], of the Managing Member of the Developer, certifies that a transaction conveying the Unit known as No. \_\_\_\_\_, located at \_\_\_\_\_ [address], and legally described in exhibit A attached hereto, shall be closed on or before \_\_\_\_\_ [date] at Chicago Title & Trust Company.

IN WITNESS WHEREOF, \_\_\_\_\_ of the Managing Member of the Developer has executed this Notice of Closing on Developer's behalf this \_\_\_\_\_ day of \_\_\_\_\_, 199\_\_.

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

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## EXHIBIT C

### FORM OF CERTIFICATE OF SUBSTANTIAL COMPLETION

Pursuant to the Redevelopment Agreement dated March 25, 1997, by and between the City of Chicago ("City"), an Illinois municipal corporation, and Pope Place on the Boulevard, L.L.C., an Illinois limited liability company, the undersigned (att): \_\_\_\_\_ of the Project Architect, Philip Kupritz & Associates, certifies that to the best of his/her knowledge and belief the housing unit referred to in Exhibit A, attached hereto, has been completed in accordance with the Site Plans and Architectural Drawing dated October 9, 1996, and approved by the City's Department of Planning and Development.

IN WITNESS WHEREOF, Philip Kupritz & Associates has caused this Certificate to be duly executed on its behalf this \_\_\_\_\_ day of \_\_\_\_\_, 199\_\_\_\_.

by \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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## EXHIBIT D

### FORM OF NOTICE OF PROJECT COMPLETION

Pursuant to the Redevelopment Agreement dated March 25, 1997, by and between the City of Chicago ("City"), an Illinois municipal corporation, and Pope Place On The Boulevard, L.L.C. ("Developer"), an Illinois limited liability company, the undersigned, \_\_\_\_\_ [title] \_\_\_\_\_ of the Managing Member of the Developer certifies the Project, as defined in the aforementioned Redevelopment Agreement, and legally described in Exhibit A attached hereto, has been completed in accordance with the site plans and architectural drawings dated October 9, 1996 and approved by the City Department of Planning and Development.

IN WITNESS WHEREOF, \_\_\_\_\_ of the Managing Member of the Developer has executed this Notice of Project Completion on Developer's behalf this \_\_\_\_\_ day of \_\_\_\_\_, 199\_\_.

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

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## EXHIBIT E

### FORM OF CERTIFICATE OF SUBSTANTIAL PROJECT COMPLETION

Pursuant to the Redevelopment Agreement dated March 25, 1997, by and between the City of Chicago ("City"), an Illinois municipal corporation, and Pope Place on the Boulevard, L.L.C., an Illinois limited liability company, the undersigned

(title) \_\_\_\_\_ of the Project Architect, Philip Kupritz & Associates, certifies that to the best of his/her knowledge and belief the project referred to in Exhibit A, attached hereto, has been completed in accordance with the Site Plans and Architectural Drawing dated October 9, 1996, and approved by the City's Department of Planning and Development.

IN WITNESS WHEREOF, Philip Kupritz & Associates has caused this Certificate to be duly executed on its behalf this \_\_\_\_\_ day of \_\_\_\_\_, 199\_\_\_\_.

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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